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No. 80-2037

IN THE

Supreme Court of the United States

OCTOBER TERM, 1980

JIMMY R. COLE, d/b/a JIM R. COLE & ASSOCIATES and COLE DEVELOPMENT COMPANY, INC.,

Petitioners,

VERSUS

CONTINENTAL OIL COMPANY,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION

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Abbreviations

P. : Petition for Writ of Certiorari

P.App. : Appendix to Petition for Writ of Certiorari

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION

Respondent Continental Oil Company ("Conoco") agrees that this Court has jurisdiction to consider Jimmy R. Cole *et al.'s* ("Cole") petition for writ of certiorari under 28 U.S.C. § 1254(1). It disagrees, however, that the petition presents any question meriting this Court's review.

This case involves no novel or controversial issue of law. The court below reversed the district court's holding of non-infringement and held a patent issued to Cole, while an employee of Conoco, to be valid and infringed by Cole,

who subsequently had gone into business for himself. Petitions for rehearing and rehearing *en banc* were also denied. *Continental Oil Co.* v. *Cole*, 634 F.2d 188, *rehearing denied*, 638 F.2d 1234 (5th Cir. 1981).

On May 22, 1981 Cole agreed to the entry of an injunction prohibiting the manufacture and sale of the patented devices except to fill orders by Conoco's licensees.

The legal standards applied by the court of appeals were fully in compliance with prevailing constitutional, statutory and judicial precepts. In his petition, Cole seeks merely to reargue the facts. He has presented no sound reason why this Court should entertain such request.

The petition for writ of certiorari should be denied.

REASONS FOR DENYING THE PETITION

Cole objects to the court of appeals' decision because the court explicitly held the patent in suit valid over a prior art patent and a related "private intracorporate communication" which "did not become public information" and a related experiment which reflected "substandard operational capability". *Continental Oil Co.* v. *Cole*, 634 F.2d at 195-196. Petitioners also refer to another prior art patent (Reid) which neither the trial court nor the court below even discussed. The argument is couched in terms of an alleged misinterpretation of an important Federal statute involving the validity of patents and a perceived conflict with various decisions of this Court. The petition is devoid of support for either contention.

Petitioners Merely Seek to Reargue Factual Issues

The patent claims a device useful in marine geophysical surveying of underground formations for the possible pres-

ence of oil and gas. The device is rotatably attached at intervals to a long sensing cable towed behind a boat during a survey. It maintains the cable at a constant water depth thereby vastly improving the quality of the data. The invention was made by petitioner Cole while employed by Conoco, and has enjoyed remarkable commercial success. Cole subsequently left Conoco and started his own business of manufacturing cable depth controllers. When sued for infringement of the patent, he contended that his patent was invalid and that he had not infringed it.

The district court rendered a decision for Cole without making proper findings. The court of appeals reversed and rendered a decision that the patent was valid and infringed. The decision is based on the court's review of the record which it found "replete with evidence fully establishing the pertinent facts as they relate to infringement and validity." *Continental Oil Co.* v. *Cole,* 634 F.2d at 191.

Cole now argues (P. 4-5, 7, 9) that the court of appeals failed to give due consideration to U.S. patent No. 3,372,666 to Baker (P. App. E), the internal research activities by Baker (P. App. F), and U.S. patent No. 2,607,842 to Reid (P. App. G). All of these were part of the record in the district court and the court of appeals. They did not lead to the invalidation of the patent in suit because they were not prior art and/or did not disclose the patented invention. The court below specifically held that the Baker patent did not disclose rotatability of a controller around the cable, 634 F.2d at 196, and that the internal research records did not constitute prior art, *id.* at 195-96. The decision does not even refer to the Reid patent, presumably because it was even less pertinent than the Baker patent.

All of petitioners' arguments were made to and rejected by the court of appeals. There is no reason why this Court should entertain a reargument of the factual issues resolved below.

The Decision Below Is Consistent With Applicable Legal Standards

It is difficult to understand exactly where petitioners contend the court of appeals went wrong in its obviousness analysis under 35 U.S.C. § 103. The court meticulously applied the standards set forth in *Graham* v. *John Deere Co.*, 383 U.S. 1 (1966). It posed the ultimate issue, as follows:

> The linchpin is not whether the individual components of the '800 patent were obvious at the time of invention, but whether the aggregation produced a new or different result or achieved a synergistic effect. [*Continental Oil Co.* v. *Cole*, 634 F.2d at 197.]

The emphasis on looking at the combination of the individual elements rather than the individual elements themselves is supported by a number of other decisions by this Court. In a footnote to a case considering what is patentable subject matter under 35 U.S.C. § 101, this Court acknowledged that "Section 103, by its own terms, requires that a determination of obviousness be made by considering 'the subject matter as a whole.'" *Parker* v. *Flook*, 437 U.S. 584, 594, n. 16 (1978). And in *Anderson's-Black Rock, Inc.* v. *Pavement Salvage Co.*, 396 U.S. 57 (1969), the Court stated: "The question of invention must turn on whether the combination supplied the key requirement." *Id.* at 60. Finally, in *Sakraida* v. *AgPro Inc.*, 425 U.S. 273 (1976) this Court found a combination patent invalid because the combination "did not produce a new or different function. . .", *id.* at 282. The decision of the court below is fully in accordance with accepted statutory and judicial principles.

The argument that the court of appeals was swayed by the patent's commercial success in its finding of non-obvious-

ness is purely speculative. In determining obviousness, the court below used the proper *Graham* analysis; it placed no explicit reliance on the fact that the invention was a great commercial success. But assuming that it had, as this Court noted in *Graham*, commercial success may be a secondary consideration indicative of nonobviousness. *Graham, supra,* 383 U.S. at 17-18.

Cole also ascribes error to the rejection by the court below of the internal Baker research documents (P. App. F) as prior art. The appellate court's decision was not premised on the view that a commercially marketable device must be developed before a prior invention by another constitutes prior art. Rather, the court noted that the Baker research had been suppressed and did not become public information. *Continental Oil Co.* v. *Cole,* 634 F.2d at 195-96. Rejection of unpublished information as prior art under such circumstances is totally in accordance with well settled law. *See, e.g., Corona Cord Tire Co.* v. *Dovan Chemical Corp.,* 276 U.S. 358, 372-374 (1928); *Stamicarbon, N.V.* v. *Escambia Chemical Corp.,* 300 F.Supp. 1209, 1215 (N.D. Fla. 1969), *aff'd as modified,* 430 F.2d 920 (5th Cir.), *cert. denied,* 400 U.S. 944 (1970). The court referred to the failure of the secret Baker device as supportive of its conclusion that the invention of the patent in suit was an unobvious, patentable advance. 634 F.2d at 196, 197.

The court below employed the applicable statutes and prior decisions in a carefully reasoned, routine, and noncontroversial fashion. All of the legal theories applied are well settled, and none is in conflict with any opinion of this Court or any court of appeals.

This is a routine patent case that was decided on its facts, with no novel or important points of law at issue. No valid reason has been advanced why this Court should review the decision below. The petition for writ of certiorari should be denied.

CONCLUSION

For the reasons stated above, Respondent respectfully requests that the petition for writ of certiorari be denied.

Respectfully submitted,

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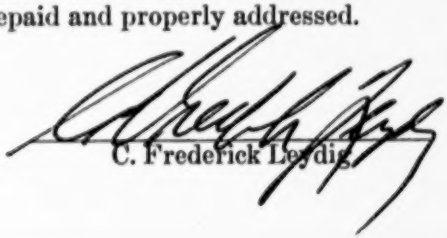
CERTIFICATE OF SERVICE

I hereby certify that three copies of the above Respondent's Brief in Opposition have this date been served upon opposing counsel of record by placing same in the United States Mail, postage prepaid and properly addressed.



C. Frederick Leydig

July 27, 1981